App. F. IX-4

194 .
(C.S)

File No. 95-40
Serial Nos. 1-4

Previous References.
Gs. 11-36-320

Later References.
Se 83-40 (1-5)
Gs. 39.42 (1-2)

P=149

PRESERVED

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 4

Part B for Feb. 1942

SUBJECT.

Financial assistance to the Mysore Provincial Co-operative Apex Bank, Ltd., to finance Co-operative Marketing Societies

---

Sl. 4.

To
The Registrar of Co-operative Societies
The Comptroller to Govt. through F.D.

G.O. No. A.F 3407-8 C.S.95-40-4 d/ 7-1-1942

Sanctions a Special temporary advance of Rupees Two Lakhs to the Apex Bank Ltd. to finance marketing Co-operative Societies.

M. Hakim
23/2

3658 (1)

General and Revenue Secretariat | File No. of 194 | [App. F. III-2

Serial No.

GEN. & REV. SECT. 7 APR. 1941 FOREST BRANCH.

Extract of the Subjects discussed at a meeting of the Dewan and the Secretariat of Council with the Registrar C.S. on Saturday the 5th ~~April~~ 1941 at 3-30 P.M.

Subject

1 Financing the marketing cooperative societies by the Apex Bank out of the cash credit of Rs 5 lakhs sanctioned to it by Govt and reduction of the rate of interest on the cash credit sanctioned to the Bank by Govt

---

2) A copy of the G.O sanctioning a cash credit of Rs 5 lakhs to the Bank is placed below with a copy of the Note on the subject by the Registrar Sd/-

Sd 7/4/41 R.D.M. 7/4.

3) The question was discussed at the last monthly meeting (5th April 1941) & it was agreed that the proposal of the Registrar to earmark Rs 3 lakhs out of the cash credit of Rs 5 lakhs sanctioned to the Apex Bank, may be utilised for granting loans to marketing societies & the rate of interest in respect of the same ~~be~~ reduced from 4½% to 3%, in the circumstances explained in his note.

U.O.No.F. 5374 7 APR. 1941

2 Member
[illegible] Sd

Sd 7/4/41
Sd 5/7

3651 to 3719

4)

File No. 95 2 of 1940

General and Revenue
Secretariat

Serial
No.

Letter No 11296 dated the 8th April 1941 from the Registrar C.S. forwarding a copy of letter from the President of the Apex Bank and requesting favourable consideration of the proposal to earmark Rs 3 lakhs out of the cash credit to help the marketing societies and to reduce the rate of interest on Rs 3 lakhs to 3% and on the balance to 4%.

DEWAN'S OFFICE
25 APR. 1941
NO 7242

4) The file may now be sent to the Financial Branch. Sd

14/4/41

5) Vide General Secretary's note on the previous page

AVN
14/4

Financial Secy)

16/4

C.O.N. 5621
17 APR 1941

6) I am afraid the request for the reduction of the rate of interest is one which cannot be supported by the F.D. Even in the case of local bodies having quasi-admve functions, loans have not been allowed at less than 4½ p.c. as our rate of interest paid on public debt is still not less than 4½.

I do not think any premium should be allowed to the Apex Bank to function just because it happens to be the conduit pipe through which credit flows to societies.

AD
22.4.41

JNS
22/4

OFFICE OF THE
SECOND MEMBER OF
2
D 800

7) 2nd Member)

22/4

23/4

8) Submit with reference to para 3 of the notes on the previous page.
Dewan)

24/4

24/4

24/4

9)

25-4-41

28/4

Serial No.	

10) It has been ordered that the rate of interest on the cash credit allowed to the Bank cannot be reduced. ~~[illegible]~~ It was agreed at the meeting with the Dewan and members of Council that the Bank may grant advances to the marketing societies. When the request of the Bank for the reduction of the rate of interest is negatived it is for orders whether ~~[illegible]~~ it is necessary to communicate approval of Govt to grant loans to the marketing societies out of the cash credit sanctioned to it by Govt as it is the duty and responsibility of the Bank to utilise its resources to the best advantage of itself and its constituents.

28/4/41

MN 28/4

11) If approved, the Registrar will be intimated that Govt have no objection to earmark 3 lakhs out of the cash credit of Rs 5 lakhs for granting loans to marketing Societies but the rate of interest cannot be reduced from 4½ %. as recommended

Genl Secy)

12) 2nd Member)

29/4

Ask Regr to see me

30.4.41

13)

30/4

1/5

1/5

GENERAL SECRETARY
29 APR. 1941
3024

SECOND MEMBER OF COUNCIL
A982

NOTE—Contn. Sheet.

(4)

3719/AF U4576

5621/W.O.

C.S. File No. 95 of 1940.

General and Revenue Secretariat

Serial No.

(1)

14) D/f letter to the Registrar C.S. is put up for approval

1/5/41
BOMP 2/5

15) The date and hour of the meeting will be ascertained from the office of the II Member of Council

16) May issue after ascertaining the date & hour

17) P/A to II Member with compliments for kindly ascertaining the date and hour

5/5/41
BOMP 5/5

5/5

18) Issue

8/5

Issued No AF 8210 dated 10-5-41

TYPING SECTION
10 MAY 1941
GEN. & REV. SECTT.

OFFICE OF SECOND MEMBER OF COUNCIL
5 MAY 1941
No. 11218.

Submitted 18)

3.30 P.M. on Wednesday the 14th instant may be fixed for the purpose.

19)
6/5/41 7.5

8/5 21)

Please await further proposals from the Registrar.

14/5

14/5

Submit file end of May 41

14/5

Letter No 13330 dated 31-5-41 from the Registrar of C.S. forwarding revised proposals re the reduction of the rate of interest on the cash credit allowed to the Apex Bank

22) The revised proposal of the Registrar is to reduce the rate of interest on the cash credit allowed to the Apex Bank from 4½ to 3½ per cent to allow the Apex Bank to have a margin of profit of 1½% in respect of the loans to be granted to the marketing societies. The proposal requires the concurrence of the Finance Department. Put up for orders

11/6
9/6/41

23) For orders with reference to paras 3 & 6.

GEN. & REV. SECTT.
14 MAY 1941
AGRI. & FOREST BRANCH

268

U.O. No. F.

GENERAL SECRETARIAT
11 JUNE 1941
4086

Gen Secy)
24) For favour of remarks 11/6
Finl. Secy.
with compliments.)

11/6

12/6

Reduction of rate of interest 4½%

5

General and Revenue Secretariat | CS File No. 95 of 1940. | 5 [App. F. III-2

Serial No.

25) I have nothing to add to my note dated 22nd April 1941 which still stands. The Registrar may sanction small loans direct to the marketing societie subject to proper security and safeguards, and applications for large loans may be considered by Government. The minimum rate of interest on loans is 4½% and reduction to less than 4½% is not acceptable to the Finance Department.

27.6.41
28/6/41

45

26) Edn Minister)

28/6

28/6

ICE OF THE MINISTER
FOR EDUCATION
Date 30-6-41
No. 380

27) This may be referred to the Council

1.7.41

28) Dewan)

1/7

2/7

29) Seen
3/7/41

CHIEF SECRETARY,
3 JUL. 1941
GOVT. OF MYSORE.

30) Chief Secy with Capls)

3/7

3/7

Submitted with a circulation memo
4/7/41.

Signed
4/7

NOTE—Contn. Sheet.

6 9)

For Disposal at a meeting.

No. C. 12

9 **1941**-42

GENERAL AND REVENUE SECRETARIAT

Council Matter.

Subject

Proposal to reduce the rate of interest to 3½ per cent on the cash credit allowed to the Apex Bank.

31) *Circulated to the Council of Ministers.*

By Order,

Chief Secretary to Government.

4th July 1941.

112
5.7.41 **Minister for Finance and Revenue.** 32) 7/7

218
7.7.41 **Minister for Law.** 33) 7-7-41

Minister for Education. (Seen) 35)

206
9.7.41 **Minister for Local Self-Government and Public Health.** 34) 9.7.41

C.B.
9.7.41

4576 (11) C12 (7)

Subject. -

Proposal to reduce the rate of interest on the cash credit allowed to the Apex Bank.

Minister 36)

The file may be resubmitted to Edn Minister

22/7

OPINION OF THE COUNCIL.

General Secretary with compliments)

23.7.41

37) Edn Minister)

24/7

24/7.

OFFICE OF THE MINISTER FOR EDUCATION
Date 25.7.41
No 979

38) Please ask the Registrar and the President of the Apex bank to see ~~me + 7-ow on 29th or 30th~~ after the return of the Finance Member from Delhi.

26.7.41

28/7

28/7

(W) The Minister for Finance and myself had a discussion with the President of the Apex Bank and the Registrar C.S. The President represents that the Apex Bank may be allowed to levy a margin of 1% interest. It will be settled finally after consulting the Finance Secy soon after his return from leave.

14.9.41

OFFICE OF THE MINISTER
FOR EDUCATION
Date 17-9-41
No. 1838

[illegible] 17/9.

1 A. [illegible]

4576

9)

General and Revenue
Secretariat

File No. 95 of 1940. [App. F. III-2

Serial No.

39) It is submitted that the Minister Finance & Revenue is expected to be in Bangalore on the evening of the 9th August and attend office from the 11th August. It is ascertained from the office of the Minister F.R. that ~~the~~ except on the 13th there are no engagements for the Minister [illegible] [illegible]. It is for orders whether the Registrar may be asked to meet the Ministers of Finance & Education on a day to be fixed in consultation with the Minister of Finance (after his return), as otherwise there may be a possibility for the Registrar & the President of the Apex Bank, of not meeting the Minister for Finance when they come to see the Minister for Education.

Sd UM
28/7/41

(Apex?)

40) The President of L.M. Bank and the Registrar may be asked to meet me and the F&R. Minister on 16th Sep at 3.30 pm in the office.

JMK
9.9.41

10/9

10/9

OFFICE OF THE MINISTER
FOR EDUCATION
Date 10-9-41
No. 1692

41)
Dft subd for appl
Sd UM
11/9/41

TYPING SECTION
11 SEP 1941

42) Done
11/9

NOTE—Contn. Sheet

3 By 1270-1 d. 11.9.41 To the Regr. C.S. & President, Pr. Co. Apex Bank
Requests to see the Ministers F.R. and Edn. on the 16th inst at 3.30 P.M. at the Public Offices

Sub A
12/9/41

10

8576 10

File No. A17 of 194

General and Revenue
Secretariat

Serial No.

43) The file may now be sent to the Office of the Minister ~~of~~ for Education for reference in connection with the ~~[illegible]~~ discussion of the question with the Registrar C.S. and the President Apex Bank

16th Sept 1941
3-30 P.M.

15/9/41

44) Office of the Minister for Education)

For orders of the Minister vide ~~[illegible]~~ page 8 & para 45 of the Notes.

45) The Financial Secretary has returned from leave. The file may now be sent to the Office of the Minister of Education for obtaining orders

23/9/41

78
25/9

OFFICE OF THE MINISTER
FOR EDUCATION
Date 27-9-41
No. 2011

Office of the Minister for Education.)

47) I will discuss this with the Fl. Secy.

1.10.41

48) The ~~Minister~~ was pleased to observe on discussion that he should like to arrange a meeting with the Pdt of the Apex Bank to discuss the question. His orders may be obtained & the date fixed may be intimated to me

2/10/41

GEN. & Rev. SECTT.
22 OCT. 1941
AGRI. & FOREST BRANCH.

A&F. Br) 49) The file may now be sent to the Office of the Minister for Education

22/10

4546 11

General and Revenue
Secretariat

CS File No. 95 of 1940. [App. F. III—2

Serial No.

for fixing a date of meeting the President of the Apex Bank. It may be stated that the President of the Central L. M. Bank is also the President of the Apex Bank.
L.B.S.

to HM 22/10
22/10/41

50) A. [illegible] 23/10

OFFICE OF THE MINISTER
FOR EDUCATION
Date 24.10.41
No. 2383.

(Office of the Minister for Education)

51) Myself and the Finance Minister discussed this with the president of the Apex Bank on 16th the September and I was represented by the ~~Apex~~ president of the Apex Bank that they may be allowed ~~to charge~~ a margin of one per cent interest over and above the interest charged by the Govt. I think this may be agreed to in view of the risk the Apex Bank has to face.

Fin. Minister.

J. L.
26.10.41

OFFICE OF THE MINISTER
FOR FINANCE & REVENUE
2 [illegible] 1941
No. 2474.

52) H. Secy to see
to speak
27.10

53) Discussed with the Minister for Revenue and Finance.

54) The ~~term~~ phrase cash-credit employed practically implies

NOTE—Contn. Sheet.

WD 03967—GPB—5,000—30-8-41

P.T.O.

a long term loan, the only material difference being that interest will be charged on the actual amount drawn by the Bank, and not on the maximum amount of the cash credit allowed. The requirements of Marketing Societies are only short term advances repayable in a few months within a year, though money may be required at different periods for financing such societies to provide for different crops. With regard to these, the Apex Bank may raise a separate loan from Government (instead of mixing them with the present cash credit arrangement) the loan being drawn in convenient instalments, each instalment being required to be repaid within a few months taking into account the interval to be allowed to individual members for the repayment of loans granted to them. This arrangement may be continued year after year, with suitable modifications in the light of experience which may be gained. For the present, the arrangement may be sanctioned for one year. The interest on this short term advance may be fixed at three-and-a-half per cent per annum as a special case and is generally to be consistent with the advance rate fixed by the Imperial Bank of India for approved Securities in respect of short term money.

(5) Detailed proposals may be called for from the Registrar.

P.T.O.

General and Revenue
Secretariat

File No. 4576 / A.F. of 194 . 13 [App. F. III—2

Serial No.

56) The cash credit arrangement sanctioned for other purposes may continue and the minimum rate of interest on it is only 4½% and any reduction is neither possible nor desirable. AD 30.10.41

2622
31.10.41.

57) (Edn minister) 31/10 31/10

OFFICE OF THE MINISTER FOR EDUCATION
Date 1.11.41
No. 2512

58) It has been agreed at a meeting of the Minister for Finance & the F.L. Secretary that the apex Bank may be allowed a separate cash credit, which will be purely for financing the marketing societies. The interest charged on the advances made will be at 3½ % and the apex Bank will be allowed to charge one % extra. The amount when recovered will have to be credited back to [illegible] [illegible]. and the Registrar who was consulted has opined that a cash credit of two lacs may be allowed at present. This may be sanctioned. 3.11.41

60) The word cash credit has a special significance in Banking circles & it might be avoided. It might be termed a special temporary [illegible] advance carrying interest & repayable within the year after an interval of [illegible] at the most from the date of [illegible] AD 6.11.4.

2660
4 NOV 1941

NOTE—Contn. Sheet.

WD 03967—GPB—5,000—30-8-41

59) H.B. 4/11 6/11

61) Vide my remarks in the margin. Draft may be prepared [illegible] [illegible] complied. AD 6.11.41 6/11 6/11

G.R.S. III—3]

4576
AF

14

ROUTINE NOTES.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

DEWAN'S OFFICE
8. NOV. 1941
NO. 3855

62) It is submitted that from the orders it is seen that the Apex Bank has to be given a special temporary advance of Rs two lakhs at 3 1/2 % interest repayable within a year for financing short term loans to marketing societies. The Apex Bank has already been allowed a cash credit of Rs 5 lakhs at 4 1/2 %. The grant of this additional advance is a Council case. It is for orders whether the draft order has to be put up now or may be put up after the return of the file with H.H's orders.

7/11/41 7/11

63) This is to be treated as a Council Case (Seems to come under XIX of the Schedule. Appendix B)

Genl Secy) 7.11.41

GENERAL SECRETARY.
7 NOV 1941
2836

64) For appl. May be disposed of by circulation.

Dewan) 7/11

N.B.—*Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.*

WD 05639—36,000—GPB—20-3-40

65) NM 9/11/41 7/11 10/11 10/11

66) Branch for a note 10/11

Financial assistance to the Apex Bank

4596

General and Revenue
Secretariat

65 File No. 95 of 1940. 15 [App. F. III—2

Serial
No.

Submitted with a note for approval

11/11/41 11/11

Genl Secy)

14/4

For Dewan & circulation.

Chief Secy
with compts)

15/11/41

15/4

GENERAL SECRETARY
15 NOV 1941
3045

Submitted with a circulation memo.

17/11/41 signed

17/11

NOTE—Contn. Sheet.

WD 03967—GPB—5,000—30-8-41

4576 16

For Disposal by Circulation.

No. C. 409

7 1941-42

GENERAL AND REVENUE SECRETARIAT

Council Matter.

Subject

Proposal to sanction to the Apex Bank a special temporary advance of Rs.2 lakhs at 3½% interest for financing short term loans to Marketing Societies.

Circulated to the Council of Ministers.

By Order,

Chief Secretary to Government.

17th November 1941.

2860 / 18.11.41 **Minister for Finance and Revenue.** 19.11

4923 / 17.11.41 **Minister for Law.** 17/11/41

Minister for Education. (Seen)

2935 / 18-11-41 **Minister for Local Self-Government and Public Health.** 18.11.41

Gen. Secy. with Compliments

19/11/41

20/11

i 576
AP

17

General and Revenue Secretariat | 61 File No. 95 of 1940. | [App. F. III-2

Serial No.

D. F. N. [illegible]
[illegible] 21/11/41 21/11

Edu minister)

21.11.41

OFFICE OF THE MINISTER FOR EDUCATION
Date 24.11.41
No. 2890

F.N. placed below.
25/11

24.11.41

25/11

25/11

OFFICE
28 NOV. 1941
No. 4552

D. S. N. [illegible]
26/11/41

Dewan)

28/11/41

NOTE—Cont. Sheet.

WD 04155—GPB—55,000—23-10-41

Final Note by the Minister for Education.

18

Subject.—

Financial assistance to the Mysore Provincial Co-operative Apex Bank Ltd.,to finance Co-operative Marketing Societies.

In G.O.No.D.9811-13/C.S.11-36-320, dated 13/16th May 1939, G a cash credit of Rupees Five Lakhs at 4½% interest was allowed to the Mysore Provincial Co-operative Apex Bank,Ltd., to enable it to tide over the financial difficulties it had to face in meeting the demands of depositors etc.

In connection with the financing of the agricultural PUD I marketing co-operative societies which are being started at several places in the interest of the ryot population, the Apex Bank represented through the Registrar of Co-operative Societies that there was a great need for the development of co-operative marketing in the State, that the marketing societies needed funds, generally at a rate of interest not exceeding 5% if it should be of any profit to them, that the Apex Bank could take up the financing of these societies, if out of the cash credit of rupees five lakhs sanctioned to them a sum of rupees three lakhs is earmarked for this purpose and the rate of interest thereon reduced to at most least 3%, the interest on the balance of rupees two lakhs being reduced to 4%.

Subsequently the Bank have agreed to pay an interest at PUD II 3½% on the amounts which are proposed to be advanced to marketing societies at not more than 5%, thus leaving a margin of about 1½% to the Bank.

The question was further discussed by the Minister for Finance and Revenue and myself with the Financial Secretary, the Registrar of Co-operative Societies and the President of the Apex Bank.

As a result of the discussion it has now been decided that the Apex Bank may be allowed a special temporary advance of rupees two lakhs at 3½% as a special case for financing agricultural marketing societies at a rate of interest of 4½%, the advance being repaid within the year after an interval of eight or nine months at the most from the date of drawing.

The Dewan and the other Ministers have agreed to the proposal and I solicit the gracious sanction of His Highness thereto.

Bangalore,
25th Novr.1941.

MINISTER FOR EDUCATION.

Submitted to His Highness.

I submit herewith a Final Note by the Minister for Education on the subject of financial assistance to the Mysore Provincial Co-operative Apex Bank, Ltd., to finance Co-operative Marketing Societies, for His Highness's gracious approval.

K V Anantaraman

Minister for Finance and Revenue,
in charge of the current duties of the Dewan.

Bangalore,
28th November 1941.

21

Record of Cases submitted for the Orders of
His Highness the Maharaja.

No 402
29.11.41.

Subject.

Financial assistance to the Mysore Provincial Co-operative Apex Bank, Ltd., to finance Co-operative Marketing Societies.

Order.

6/12/41.

No-418.

Chief Sec,

MS
15/12/41

NM
15/12/41

General and Revenue
Secretariat.

22
c409. 4576

SUBJECT :—
Financial Assistance to the Mysore provincial Cooperative Apex Bank Ltd to finance Cooperative Marketing Societies

Circulated to Council of Ministers for perusal of His Highness' orders before/~~after~~ issue of orders. (*Vide* Rules 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.) (*)

Chief Secretary to Government.

(*)
31. All urgent or confidential files returned with His Highness' orders may, in the absence of instructions or indications to the contrary, be ordinarily circulated to the Ministers for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after, to the Chief Secretary for circulation to the Ministers.

34. In all other cases, the files will first be circulated to the Ministers at Headquarters and then sent to the Secretariat concerned for the issue of orders.

Through the Secretary to Government,
General Department. 16/12

3657 17.12.41 Minister for Finance and Revenue. 17.12

6178 17.12.41 Minister for Law. 18.12.41

3324 16.12.41 Minister for Education. 16.12.41

3665 18.12.41 Minister for Local Self-Govt. and Public Health. 18.12.41

Gen. Secy. with Compliments.
19/12/41

19/12 19/12

NOTE.—Contn. sheet

WD 04199—GPB—500—27-9-41

23 Lw 76 / A.7

General and Revenue Secretariat | File No. | of 194 | [App. F. III-2

Serial No.

FINANCE U.O. No. F. 3821 3 JAN 1942

Dft S.O. below for consideration.

20/12 22/12

(for favour of perusal before come Financial Secretary)

2.1.42

5.1.42

6.1.42

Some as one

6.1.42

GEN. & REV. SECTT.

Fl. mi: 1909 Fin. Secy. has agreed. Draft and fair ddu.

7/1/42

7/1/42

Issued.

D.3407-8 d. 7.1.42 To the Regr. of C.S. & Compt. Tra. F.D.
Sanctions a special temporary advance of Rs. 2 lakhs at 3½% interest p.a. to the Apex Bank with certain directions

10/2/42

GEN. & REV. SECTT. 01 FEB. 1942 FOREST BRANCH.

NOTE—Cont. Sheet.

24 4576

G.R.S. III—3]

Note on the additional financial assistance to the to the Mysore Provincial Co-operative Apex Bank Ltd.,

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Key 9

P.U.D.I

In Govt.Order No.D.9811-13/C.S.11-36-320 dated the 13/16th May 1939 a cash credit of Rs.five lakhs at 4½% interest was allowed to the Apex Bank Ltd, to enable it to tide over the financial difficulties it had to face in meeting the demands of depositors etc.

In connection with the financing of the agricultural ~~produce~~ marketing Co-operative Societies which are being - started at ~~town~~ several places in the interests of the ryot population, the Apex Bank represented through the Registrar of Co-operative Societies that there was a great need for the development of co-operative marketing in the State, that the marketing societies need funds, generally at a rate of interest not exceeding 5%, if it should be of any profit to them, that the Apex Bank could take up the financing of these Societies ~~if~~ out of the cash credit of Rs.5 lakhs sanctioned to them, a sum of Rs.3 lakhs is earmarked for this purpose and the rate of interest thereon reduced to at least 3%, the interest on

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

WD 05639—36,000—GPB—20-3-40

on the remaining Rs. two lakhs being reduced to 4%.

Subsequently the Bank have agreed to pay an interest of 3½% on the amounts which will be advanced to marketing societies at not more than 5% interest ~~[illegible]~~ thus leaving a margin of about 1½% to the Bank.

P U D II

The question was further discussed by the Ministers of Education and Finance with the Financial Secretary to Government, the Registrar of Co-operative Societies and the President of the Apex Bank Ltd, and it was decided that the Apex Bank ~~should~~ may be allowed a special temporary advance of Rs.2 lakhs at 3½% as a special case, for the purposes aforesaid, the loan being repaid within the year after an interval of eight or nine months at the most from the date of drawing.

Paras 45-60 of the Notes

Paras 58-60 of the Notes

26

Subject No.3.

Earmarking Rs.3 lakhs out of the cash credit of Rs.5 lakhs sanctioned to the Apex Bank for loans to Marketing Societies and grant of the same to the Bank at 3 per cent interest; reduction of interest on the balance of the cash credit to 4 per cent from 4½ per cent.

Government have in their Order No.D.9311-13/C.S.11-36-320 dated 16th May 1939 been pleased to sanction a cash credit of Rs.5 lakhs to the Apex Bank. Thanks to the rise in commodity prices and land values, the recoveries in the Apex Bank have improved and the Bank may not draw any - portion of the cash credit for the purpose of repaying deposits. The Bank's new business is limited. It is not permitted to lend for long terms. Demand for short term loans for agricultural operations is practically nil. Nor is there any demand for intermediate term loans. The Bank has therefore to develop its business in the marketing line. But now the ryots get advances against stocks at about 5 % through the merchants from the Bank of Mysore. But the benefit goes to the merchants as the ryots will be in the clutches of the merchants. Co-operative marketing societies are advantageous to the ryots. But it is necessary that the marketing societies should be able to get money at 4% to enable them to lend at 5% to the ryots. Hence the Apex Bank should be provided with funds at 3 %. The Bank requests that Rs.3,lakhs out of the cash credit of Rs.5 lakhs may be earmarked for granting loans to marketing societies and charged interest at 3 %. This will leave a margin of 1 % to the Bank.

Similarly the rate of 4½ % on the balance of the cash credit viz., 2 lakhs is very high. It may be reduced to at least 4 %.

****

Registrar, Co-operative Societies
in Mysore.

THE MYSORE PROVINCIAL CO-OPERATIVE APEX BANK LTD

Points for discussion with the Second Member of Council.

1. Rate of interest on Cash credit of Rs.5 lakhs sanctioned by Government.

Government have been pleased to sanction a cash credit of Rs.5 lakhs to the Bank at 4½% interest. Now that long term lending by the Apex Bank has practically ceased the Bank will have to confine itself, more and more, to Short term lending. Marketing Societies offer some scope for business in this direction.

Unlike long term loans, the rate of interest chargeable on short term loans will have to be comparatively at a lower rate, generally not exceeding 5 per cent so that the societies in their turn might be able to advance to their members at not more than 6 per cent interest.

Private money lenders advance loans on good securities at cheaper rates of interest, not exceeding 6 or 7 per cent. Owing to competition, even the Bank of Mysore makes advances on produce etc., at 4½ to 5 per cent. The usual rate of interest charged by the Bank of Mysore on advances on Paddy and Areca is from 4½ to 5½%.

The marketing societies in Mysore are still in their earliest stages of development. They require all encouragement and support for which they will naturally look to the Apex Bank. As above stated, the cash credit sanctioned by Government is charged interest at 4½ per cent. On page 96 of their Report, the Mysore Committee on Co-operation, 1936, have opined that 2½ to 3 per cent may be taken as a safe and reasonable margin, between the borrowing and lending rates. Even keeping a minimum margin of 1½ per cent to 2 per cent for working expenses, the Bank will not be able to finance the marketing societies at a rate less than at least 6 per cent. Government may therefore be pleased to reduce the rate of interest on the cash credit to at-least 3 or 3½ per cent, so that the Bank in its turn may be able to finance the societies at 5 per cent or more at the discretion of the Board.

G.J. 95-40-1

GEN. & REV. SECTT.
8 APR. 1941
FOREST BRANCH

GOVERNMENT OF MYSORE.

No. 11296 C. S/Encl 2

3659

537

DEPARTMENT OF CO-OPERATION

Telegraphic Address
"CO-OPERT"
Bangalore.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES
IN MYSORE,

Dated Bangalore, 8th April 1941.

3719

FROM

M. ABDUL HUKH, Esq., B.A.,
Registrar of Co-operative Societies in Mysore,
BANGALORE.

To

J. Appaji Gowda, Esqr., B.A., (Hons),
General Secretary to Government of
Mysore, Bangalore.

GENERAL SECRETARIAT
8 APR. 1941

Sir,

Adverting to G.O.No.D.9811-13/C.S.11-36-320 dated 16-5-1939 sanctioning a cash credit of Rs.5 lakhs to the Apex Bank, at 4½% interest, I have the honour to forward, herewith a copy of letter No.10875 dated 22-3-1941 with a copy of the enclosure thereto received from the President of the said Apex Bank, praying that out of the above cash credit of Rs.5 lakhs, a sum of Rs.3 lakhs may be earmarked for financing marketing co-operative societies interest being charged at 3% by Government on the said sum of Rs.3 lakhs and that on the balance of the cash credit viz., -- 2 lakhs interest may be charged at 4% instead of at 4½% and to state that the request of the Bank may be favourably considered, in the light of the circumstances mentioned in the President's letter.

I have the honour to be,
Sir,
Your most obedient servant,

M Abdul Hukh

Registrar.

Letter No.10875 dated 22nd March 1941 received from the President, Apex Bank, Ltd., Bangalore City addressed to the Registrar of Co-operative Societies in Mysore, Bangalore.

------ -

In forwarding herewith for your kind perusal a copy of letter No.171 dated 24-2-41 received from the Honorary Secretary of the Mysore Central Paddy Co-operative Society, Ltd., I have the honour to state that there is a great need for the development of Co-operative marketing in the State on a large scale. The financing of marketing societies may with advantage be left to the Apex Bank as long-term lending by the Apex Bank has practically ceased.

As could be seen from the letter of the Central Paddy Society, such societies need funds at low rates of interest, generally not exceeding 5 per cent. For this purpose the Financing Bank must be able to obtain funds at least at 3 per-cent, [illegible] The Madras Provincial Co-operative Bank is understood to have been advancing at 3 per cent for marketing purposes.

It was not allittle due to your strong recommendation that Government were pleased to sanction a cash credit of Rs5 lakhs to the Bank. For want of a safe working margin as indicated above, the Bank has not been able to make use of any portion of the Cash credit sanctioned by Government for financing marketing societies though there is large demand for loans from them. As a special case, the Malnad Areca Marketing Co-operative Society of Shimoga, is being financed at 5 per cent, as the Bank was able to obtain accommodation at 3 per cent from the Mysore Bank. This cannot however be done in all cases, as the Bank requires large amounts for repaying the heavy rated deposits, wherever such deposits cannot be renewed at lower rates. Out of the Cash credit of Rs.5 Lakhs sanctioned by Government, a sum of Rs3 lakhs may be earmarked for this purpose, and the rate of interest thereon may kindly be reduced to at least 3% so that more funds may be made available for marketing societies at

P. T. O

societies at lower rate of interest.

Further, I also request that the rate of interest on the balance of the cash credit not earmarked for marketing purposes may kindly be recommended to be reduced to at least 4 per cent. The rate of interest allowed by the Bank on the deposits raised by it is only between 2½ and 4%. The need for obtaining funds at lower rates of interest is obvious. I therefore request you to kindly obtain the orders of Government in the matter.

"C O P Y"

For Registrar.

Copy of letter No.183 dated 10-3-41 received from the Hon. Secretary, The Central Paddy Co-operative Society, Ltd., Mysore.

-- -----

I thank you very much for your letter dated 5-3-41 letting us know that the cash credit of Rs.5,000/- is renewed for one year from 24-2-41. The rate of interest is however fixed at 5½% which obliges us to issue loan at 7½% as we cannot work with less than 2% of margin.

This year private money lenders are issuing loans at 6% and the Mysore Bank issues at 5% to Stockers. Thus our rate is for higher than that of either of these classes of Bankers and -- naturally members grumble that our rates of interest are very high.

Under these curcumstances we shall feel highly obliged if you can at least reduce the rate of interest by ½%.

This year we have advanced paddy security loan of more than Rs.16,000/- so far we have been working largely with fixed deposit for short terms at 4½%. Ideally speaking the whole of our requirements should be available from the Apex Bank which should be able to advance us at low rate of interest to enable us to serve our members at least on as favourable terms as professional bankers do. If it is possible for the Apex Bank to reduce the rate for the present at least to 5% as mentioned before, we will apply for an additional cash credit of Rs.5,000/- amounting altogether to Rs.10,000/- and pay of our deposits in part. Kindly reply if our request can be granted and oblige.

"C O P Y

For Registrar.

Appendix F G—1]

32

SUBJECT

Section 6 S

File No. 95-41.

Serial No.

Diary No. of letter replied to

No. A 7 8210

To The Registrar of C.S.

General and Revenue Secretariat

( )

the 193

Date of issue 10-5-41

Signed by

Sir

Adverting to your letter No 1129/C.S. dated the 8th April 1941 re the grant of loans to marketing societies by the Apex Bank and the reduction of the rate of interest on the cash credit allowed to the Apex Bank, I am directed to request you to see the Finance Member of Council in this connection at 3-30 PM on Wednesday the 14th. instant. I have etc

For Secretary

Please ascertain the convenient date.

List of enclosures

Copied by

Examined by

33 G.S. 95-40-2

GOVERNMENT OF MYSORE.

No. 13320 C.S.

Telegraphic Address
"CO-OPERT"
Bangalore.

DEPARTMENT OF CO-OPERATION

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES
IN MYSORE.

Dated Bangalore, 31st May 1941

4576

GEN. & REV. SECTY.
2 JUNE 1941
AGRI. & FOREST BRANCH

FROM

M. ABDUL HUKH, ESQ., B.A.,
Registrar of Co-operative Societies in Mysore,
BANGALORE.

To

GENERAL SECRETARY
2 JUNE 1941

J. Appaji Gowda, Esqr., B.A., (Hons),
General Secretary to Government of
Mysore, Bangalore.

Sir,

In continuation of this office letter No.11296 C.S. dated 8th April 1941 and with reference to letter No.A.F.8210/C.S. 95-40- dated 10th May 1941 received from Government regarding the reduction of the rate of interest on the cash-credit of five lakhs of rupees sanctioned by Government to the Mysore Provincial Co-operative Apex Bank, Ltd., Bangalore City, in their order No.D.9811-13/C.S. 11-36-320 dated 16th May 1939, I have the honour to forward, herewith a copy of letter No.13050 dated 20th May 194~~0~~1? received from the President of the said Bank stating that the margin of 2 per cent for the portion of the cash-credit to be so ear-marked for financing marketing societies is fair, on account of the expenses and losses incidental to such transactions and that the Bank would be glad to reduce the rate by half a per cent in such cases. I agree with the President in this respect and request that the rate of interest on three lakhs to be so ear-marked for financing marketing activities may be reduced to 3½ per cent so as to allow to the Bank a margin of 1½ per cent by granting loans to marketing societies at not more than 5 per cent.

I have the honour to be,
Sir,
Your most obedient servant,

M Abdul Hukh
Registrar.

Letter No.13050 dated 20th May 1941 received from the President, The Mysore Provincial Co-operative Apex Bank, Ltd., Bangalore City addressed to the Registrar of Co-operative Societies, in Mysore, Bangalore.

With reference to your letter No.12810 dated 15/16-5-41 regarding Bank's margin of interest in respect of Rs.3 lakhs proposed to be ear-marked for financing marketing societies out of the cash credit of Rs.5 lakhs sanctioned by Government I have the honour to state that the margin of 2 per cent as already stated is fair on account of the expenses and losses incidental to such transactions, and that the Bank would be glad to reduce the rate by half a per cent in special cases. I therefore request you to kindly make a recommendation to Government in the matter.

"COPY"

For Registrar.

35

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES
IN MYSORE.

D. O. No. 50 ef.
Enc one

Dated Bangalore,......28th July........1941

GENERAL SECRETARY
29 JULY 1941

CS

Dear Sir,

I send herewith for information a copy of a note by the President of the Apex Bank on the subjects ~~subjects~~ proposed by him for discussion with the Education Minister tomorrow.

Yours Sincerely,

J.Appaji Gowda, Esq., B.A. (Hons)
General Secretary to Government, Bangalore.

Submitted to the Education Minister for perusal

29.7.41

THE MYSORE PROVINCIAL CO-OPERATIVE APEX BANK LTD

****

Points for discussion with the Minister for Education .

1. Rate of interest on Cash credit of Rs.5 lakhs sanctioned by Government.

Government have been pleased to sanction a cash credit of Rs.5 lakhs to the Bank at 4½% interest. Now that long term lending by the Apex Bank has practically ceased the Bank will have to confine itself, more and more, to Short term lending. Marketing Societies offer much scope for business in this direction.

Unlike long term loans, the rate of interest chargeab on short term loans will have to be comparatively at a lower rate, generally not exceeding 5 per cent so that the societi in their turn might be able to advance to their members at n more than 6 per cent interest.

Private money lenders advance loans on good securiti at cheaper rates of interest, not exceeding 6 or 7 per cent. Owing to competition, even the Bank of Mysore makes advances produce etc., at 4½ to 5 per cent. The usual rate of intere charged by the Bank of Mysore on advances on Paddy and Areca is from 4½ to 5½ per cent.

The marketing societies in Mysore are still in their earliest stages of development. They require all encourage ment and support for which they will naturally look to th Apex Bank. As above stated, the cash credit sanctioned Government is charged interest at 4½%. On page 96 of th Report, the Mysore Committee on Co-operation, 1936, have opined that 2½ to 3 per cent may be taken as a safe and reasonable margin, between the borrowing and lending ra

Even keeping a minimum margin of 1½ per cent to 2 per cent for working expenses, the Bank will not be able to finance the marketing societies at a rate less than at least 6 per cent. Government may therefore be pleased to reduce the rate of interest on the cash credit to at least 3 or 3½%, so that the Bank in its turn may be able to finance the societies at 5 per cent or more at the discretion of the Board.

2. Waiving of Court fees payable on disputes filed by Rural Co-operative Societies.

Prior to 1931, Co-operative Societies enjoyed complete exemption from payment of Court fees in respect of disputes filed by them against their Members. This was modified in 1931 deeming that societies were doing good business and could afford to pay the stamp cost, and accordingly half the usual court fee was levied in respect of suits filed in Registrar's Court. This has had a very adverse effect on Rural Societies a large number of whom are working continuously at a loss. The payment of even a small amount towards court fee is too heavy a burden to them, as they have been incurring loss in a large number of cases even towards the principal of the loans. Their liabilities are far greater than their assets. The securities have considerably gone down in value owing to neglect and unfavourable seasonal and other causes. The Committee on Co-operation, 1936, have admitted that the levy of even half the stamp duty has prejudicially affected both societies and their debtors, and have recommended restoration of the full measure of exemption originally enjoyed. (Vide page 125 of the Report).

The present position is that the societies are unable to pay the Court fees due by them and consequently the Apex Bank has had to pay the Court fees. While the Bank has to to apprehend loss of a considerable portion of interest due by many of the societies and even a portion of the principal of the loans due by some societies, the payment of the Court Fees is an additional burden thrown on the Bank which it is unable to bear. In a large number of cases though the immediate loss is to the indebted society, the Bank will have to bear the loss ultimately. In all land transactions loss is deemed to be inevitable and several States have granted subventions to meet such loses of indebted societies.

The Government may therefore be pleased to exempt from payment of Court fees at least such of the Rural Societies as are indebted to the Bank and whose assets are not sufficient to meet the liabilities. This would go a long way in giving relief to the rural societies which are registered on unlimited liability basis involving liquidation and enforcement of unlimited liability against a number of innocent persons for losses incurred in the working of the Society.

3. Re:- the cost of maintaining Official Liquidators and steps to be taken for expediting liquidation proceedings of Bank's indebted societies.

There are now under liquidation 46 indebted societies of the Bank owing more than Rs.2,95,000/- towards principal and nearly Rs.1,36,600/- towards interest. Of these 46 societies there are as many as 24 societies under the charge of Official Liquidators owing nearly Rs.1,48,000/- ~~towards principal and about Rs.81,534/- to interest.~~ The Bank has all along been contributing towards the pay of the Official Liquidators and their peons and at present the contribution made by the Bank is Rs.1559-8-0 per annum.

[illegible]

A representation was made to Government last year

year requesting that the liquidation work may be entrusted to Bank's Inspectors so as to enable the liquidation proceedings to be expedited with minimum delay. This was however not agreed to on the ground that the liquidator is a trustee not only of the interests of the creditors but also of the members of the societies (Contributories). The Official Liquidators are entrusted with Liquidation work of several societies and they cannot devote sufficient attention to the several items of work in the societies under their charge without the creditor Bank giving necessary help to them to take possession of properties and dispose them of for proper price. The creditor Bank in the long run will therefore be adversely affected. The Bank therefore feels it necessary to maintain its own Inspectors for looking after liquidated societies and to render assistance to the Official Liquidators where necessary in the expeditious disposal of their work. In Madras/it is learnt that the Official Liquidators are appointed and paid for by Government, whilst the Creditor Banks maintain their own Inspectors to safeguard their interest in the societies under liquidation.

It is therefore prayed that the Bank may be permitted to appoint two of its own Inspectors to look after its indebted societies under liquidation and assist the Official Liquidators in expediting recoveries by disposing of properties, by settlement of individual cases by compromise etc., While the Bank would meet the pay of its own Inspectors that of the Official Liquidators may be met by Government as in Madras.

4. Salary of the new Official Secretary for the month of July 1941.

In G.O.No.4525-8/C.S. 201-40-2 dated 23-6-1941 Government were pleased to order the appointment of Mr.S. Muninanjappa B.A.,B.L., Assistant Commissioner as Secretary

40

Secretary of the Bank, and it was also agreed that the new Officer should be associated with Mr.B.T.Kempanna B.A.,LL.B., for one month during July 1941 and that the salary of the new Officer for the first month should be borne entirely by the Bank(vide confidential letter No.4001/C.B.dated 29-4-41 from the Chief Secretary to Government addressed to the Registrar of Co-operative Societies). A representation was made by the Bank through the Registrar of Co-operative Societies requesting that Government be pleased to bear at least a moiety of the charges during the first month as it was too heavy a burden for the Bank to bear. This was however not agreed to by Government. The decision of Government in the matter may therefore be kindly re-considered.

Government assistance to Provincial Co-operative Banks elsewhere in India.

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1. Bengal. In 34-35 the Government of Bengal sanctioned a subvention of ₨.24 lakhs to the Provincial Bank in order to make good the entire loss sustained by the Provincial Bank on account of its investment in the Jute sale and Supply Societies in annual instalments of ₨.2 lakhs for 12 years. 8 lakhs have been drawn upto-date.

In 1939-40 the Government placed in the hands of the Provincial Bank ₨.13½ lakhs for advance of crop loans. In 1940-41 ₨.55 lakhs were sanctioned for the purpose. For 41-42 the Government have sanctioned ₨.60 lakhs for crop loan at 3½% interest.

2. Central Provinces and Berar. In 1931-32 the Government permitted the Bank to make advances to individual share holders on the security of gold, silver, agricultural produce, life policies and securities coming under the Indian Trust Act.

In 1940 the Provincial Government agreed to the grant of an annual subsidiy of ₨.1,00,000/- to the Provincial Bank for a period of 3 years in the first instance to enable it to meet the deficit which the Bank was expected to suffer as a result of the compromise of the debts of Central Banks as recommended by the Gole Committee.

3. Bihar and Orissa To enable the Bank to repay the heavy deposits, the Government sanctioned loan of ₨.20lakhs in 1934, and again ₨.10 lakhs in 1939 to the Provincial Bank. Subsequently the Government suspended the recovery of the instalments and interest of the first loan in view of the Bank's difficulty to pay the same. The 2nd loan of ₨.10/ lakhs granted in 1939 was given without any instalment being

being fixed for repayment. In the scheme for the rehabilitation of the Co-operative movement in Bihar, the Provincial Banks position is described as follows:-

Government will bear the losses if the Provincial Bank in giving effect to the Rehabilitation scheme and will give such other financial assistance and support as may be necessary. In view of the nature and extent of financial responsibility involved, Government will assume necessary control over the Provincial Bank at least for a number of years during the period of rehabilitation and appoint an experienced Banker, to be called, the Banking Adviser, who will work as the Managing Director and will be primarily responsible for advising Government on the Banking side of business.

4. Bombay. The Government of Bombay have authorised the Bank to raise debentures to the extent of Rs.20,00,000/- on which interest is guaranteed by the Secretary of State for India until the Debentures are redeemed. Government themselves have subscribed to Debentures of the value of 2 lakhs.

The Bank has been recognised as the agency for distribution of loan under the Land Improvement Loans Act.

Government have approved of the appointment of the Bank as Liquidator of its indebted societies and the work is distributed by the Bank among its inspecting Staff.

Appen dix F G—1]

43

SUBJECT..

7 Copies

Ministers

Section Co

File No. 95-46

Serial No. 7

Diary No. of letter replied to.......................

No. A 7/1270-71

To 1) The Registrar of C S
2) The President of the Mysore
Provincial Coop. Apex Bank Ltd
Hardinge Road
Bangalore City

General and Revenue Secretariat

( )

the 193

Sir,

In connection with the question of reduction of the rate of interest on the cash credit allowed to the Apex Bank and other financial assistance to the Bank etc. I am directed to request you to kindly meet the Minister for Finance & Revenue and the Minister ~~for~~ for Education at 3-30 P.M on the 16th instant at the public offices.

I have etc

for Secretary

Date of issue... 11-9-41

Signed by M R R

List of enclosures...........................

Copied by...........................

5 with the address of both the ~~addressees~~

Examined by...........................

Copy to the office of the Minister F & Re
do Education

Copy to P.C to Secretary ~~Office Branch~~

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

No. Immediate.
A7.1270-71
C895-40-3

General and Revenue Secretariat,
Dated Bangalore, 11th ~~September~~ 1941.

FROM

The Secretary to the Government of
His Highness the Maharaja of Mysore

General Department.

To

The Registrar of C.S
The President, Apex Bank Ltd

SIR,

In connection with the question of reduction of the rate of interest on the cash credit allowed to the Apex Bank and other financial assistance to the Bank etc., I am directed to request you to kindly meet the Minister for Finance and Revenue and the Minister for Education at 3-30 p.m. on the 16th instant, ~~at~~ the Public offices

I have the honor to be,
Sir,
Your most obedient servant,

For Secretary to Government,
General Department.

Copy to the office of the Minister for Finance and Revenue.
to the office of the Minister for Education.

Copy to P.C to Secretary

SR/7

G. R. S. App. F VI—G 2]

SUBJECT ~~Cs~~

Diary No. of letter replied to

General and Revenue Secretariat

( )

the 193

Date of issue 7-1-42

Signed by

May this be—

(i) printed?

(ii) treated as a standing order?

(iii) published in the Gazette, English Part?

(iv) translated?

(v) placed at the disposal of the press?

(vi) published in the Gazette, Kannada Part?

P.U

Section. Cs

File No. 95-40

Serial No. 4

Proceedings of the Government of His Highness the Maharaja of Mysore

Read— G.O. No 9811-13/ C.S. 11-36-320 dated the 13/16th May 1939 sanctioning a Cash credit of Rupees five lakhs at 4 1/2% interest per annum to the Mysore Provincial Cooperative Apex Bank to tide over the financial difficulties it had to face in meeting the demands of depositors etc.

~~Order thereon.—No.~~

Correspondence ending with letter No 13320/Cs. dated 31-5-41 from the Registrar C.S. in the matter of financial assistance to the Apex Bank to enable it to grant loans to marketing societies

---

order A7 3407-8 – d/7-1-42

In connection with the financing of the agricultural marketing cooperative societies which are being started at several places in the interests of the ~~agricultural~~ ryot population, the Mysore Provincial Cooperative Apex Bank represented through the Registrar of C.S. that there was a great need for the development of cooperative marketing in the State, that the marketing societies needed funds, preferably at a rate not exceeding 5%. If it should be of any profit to them, that the Apex Bank could take up the financing of these societies if out of the cash credit of rupees five lakhs sanctioned to them in the G.O. d 16/5/39 read above a sum of rupees three lakhs was earmarked for this purpose the rate of interest on that amount being reduced to 3%, the interest on the balance of Rs two lakhs being reduced to 4%. After further correspondence the Bank agreed to pay an interest at 3 1/2% on the amount to be ~~drawn~~ advanced to the marketing societies the rate of interest charged to the societies being not more than 5%.

/

List of Enclosure

Copied by

Examined by

47

G. R. S. App. F. G. 3.

GENERAL AND REVENUE
SECRETARIAT.

(*Continuation sheet draft form.*)

[illegible]

[illegible], Govt. are pleased to sanction a special temporary advance of Rupees two lakhs at 3½% interest per annum as a special concession to the Apex Bank for financing the agricultural marketing coop. societies at 4½% interest per annum, the advance being repaid within ~~two~~ one year after an interval of eight or nine months at the most from the date of drawing.

The Registrar is requested to see that the amount now sanctioned for the purpose is properly and equitably distributed to and utilised by the societies.

for Secretary

To
The Registrar CS
The Commissioner F.D

WD 03603—GPB—15,000—8-7-35

48 [illegible] No. 207/41

App. F. VI, G. 10

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS

[illegible]
27/1/42

G. O. No. A. F 3607-8/Ct. 95-40.4 DATED 7th Jany 1942

May this be

i. printed? yes

ii. treated as a standing order? yes

iii. published in the Gazette, English Part?

iv. translated?

v. placed at the disposal of the Press?

vi. published in the Gazette, Kannada Part?

For orders

Not necessary

Temporary advance

Sanctions a special ——— of Rupees two lakhs to the Apex Bank Ltd. to finance marketing cooperative societies

15/1
15/1/42.

16/1/42

49

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Read :—

Government Order No 9811-13/C.S.11-36-320 dated the 13/16th May 1939 sanctioning a cash credit of rupees five lakhs at 4½% interest per annum to the Mysore Provincial Co-operative Apex Bank to tide over the financial difficulties it had to face in meeting the demands of depositors etc.

2. Correspondence ending with letter No.13320/C.S. dated 31st May 1941 from the Registrar, Co-operative Societies in the matter of financial assistance to the Apex Bank to enable it to grant loans to marketing societies.

Order No. A7. 3407-8/ C.S. 95-40-ce

Dated, Bangalore the 7th January 1942.

In connection with the financing of the Agricultural Marketing Co-operative Societies which are being started at several places in the interests of the ryot population, the Mysore Provincial Co-operative Apex Bank represented through the Registrar of Co-operative Societies that there was a great need for the development of Co-operative marketing in the State, that marketing societies needed funds, generally at a rate not exceeding 5% if it should be of any profit to them, that the Apex Bank could take up the financing of these societies if out of the cash credit of rupees five lakhs sanctioned to them in the Government Order dated 16th May 1939 read above a sum of rupees three lakhs was earmarked for this purpose, the rate of interest on that amount being reduced to 3%, the interest on the balance of rupees two lakhs being reduced to 4%. After further correspondence the Bank agreed to pay an interest at 3½% on the amount to be advanced to the marketing societies the rate of interest charged to the societies being not more than 5%.

Government are pleased to sanction a special temporary advance of rupees two lakhs at 3½% interest per annum as a special case to the Apex Bank for financing the agricultural marketing Co-operative Societies at 4½% interest per annum, the advance being repaid within one year after an interval of eight or nine months at the most from the date of drawing.

The Registrar is requested to see that the amount now sanctioned for the purpose is properly and equitably distributed to and utilised by the societies.

Press Copy

(Sd) H. V. Narayana Rao

General Secretary to Government. (in Charge)

For General Secretary to Govt.

To—The Registrar of Co-operative Societies in Mysore.
Comptroller to Government (through Financial Department)

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

GENERAL AND REVENUE DEPARTMENTS.

G. O. No. A. F. 3407-8—C. S. 95-40-4, dated 7th January 1942.

Temporary Advance.

Sanctions a special —— of rupees two lakhs to the Apex Bank, Ltd., to Finance Marketing Co-operative Societies.

READ—

Government Order No. 9811-13—C. S. 11-36-320, dated 13—16th May 1939, sanctioning a cash credit of rupees five lakhs at 4½ per cent interest per annum to the Mysore Provincial Co-operative Apex Bank to tide over the financial difficulties it had to face in meeting the demands of depositors, etc.

2. Correspondence ending with letter No. 13320—C. S., dated 31st May 1941, from the Registrar of Co-operative Societies, in the matter of financial assistance to the Apex Bank to enable it to grant loans to marketing societies.

ORDER No. A. F. 3407-8—C. S. 95-40-4, DATED BANGALORE, THE 7TH JANUARY 1942.

In connection with the financing of the Agricultural Marketing Co-operative Societies which are being started at several places in the interests of the raiyat population, the Mysore Provincial Co-operative Apex Bank represented through the Registrar of Co-operative Societies that there was a great need for the development of co-operative marketing in the State, that the marketing societies needed funds, generally at a rate not exceeding 5 per cent if it should be of any profit to them, that the Apex Bank could take up the financing of these societies if out of the cash credit of rupees five lakhs sanctioned to them in the Government Order dated 16th May 1939, read above, a sum of rupees three lakhs was earmarked for this purpose, the rate of interest on that amount being reduced to 3 per cent, the interest on the balance of rupees two lakhs being reduced to 4 per cent. After further correspondence, the Bank agreed to pay an interest at 3½ per cent on the amount to be advanced to the marketing societies, the rate of interest charged to the societies being not more than 5 per cent.

2. Government are pleased to sanction a special temporary advance of rupees two lakhs at 3½ per cent interest per annum as a special case to the Apex Bank for financing the Agricultural Marketing Co-operative Societies at 4½ per cent interest per annum, the advance being repaid within one year after an interval of eight or nine months at the most from the date of drawing.

3. The Registrar is requested to see that the amount now sanctioned for the purpose is properly and equitably distributed to, and utilised by, the societies.

H. V. NARAYANA RAO,
Secretary to Government,
General Department
(In-charge).

To—The Registrar of Co-operative Societies in Mysore.
The Comptroller to Government through the Financial Department.

Exd.—C. K.

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